



ENERGY ASSURANCE DAILY

Monday Evening, March 19, 2012

Electricity

Nearly 143,000 SCE Customers Experience Flickering Lights or Lost Power after Weekend Storm in Southern California

Southern California Edison reported 10,656 customers were without power early Monday after a storm with high winds ripped through the region over the weekend, according to a spokeswoman, who added that “winds can affect the power without lines coming down.” In total, nearly 143,000 SCE customers experienced flickering lights or lost power during the storm, reports said. Crews were working Monday to fix the lines, but the utility could give no estimate on when power might be restored to the remaining customers affected by the storm.

<http://latimesblogs.latimes.com/lanow/2012/03/storm-power-outages.html>

Snow Storm, High Winds Cut Power to 33,000 PNM Customers in Arizona March 18

A winter snow storm and high winds struck parts of Arizona and New Mexico on Sunday, causing power outages. PNM reported a peak number of 33,000 customer outages in the Albuquerque area Sunday afternoon due to high winds. By 9:00 PM local time, workers had restored power to all but 4,500 PNM customers affected by the storm.

<http://www.csmonitor.com/USA/Latest-News-Wires/2012/0319/Arizona-digs-out-from-mega-snow-storm>

Substation Outage Cuts Power to 22,000 PG&E Customers in Contra Costa County, California March 16

Pacific Gas & Electric (PG&E) reported about 22,000 customers in Walnut Creek, Concord, and Lafayette lost power Friday evening when a substation went down for unknown reasons around 5:00 PM local time, reports said. The utility was working to determine what caused the outage. About 3,900 customers still had no power around 9:30 PM Friday, reports said.

<http://www.sacbee.com/2012/03/16/4345039/pg-e-investigating-contra-costa.html#storylink=cpy>

Update: More Steam Generator Tubes Fail Pressure Tests at SCE’s 1,080 MW San Onofre Nuclear Unit 3 in California March 15–16

A total of eight steam generator tubes have now failed pressure tests at San Onofre Unit 3 nuclear reactor, which has been shut since late January due to a steam generator leak, Southern California Edison (SCE) said. SCE has been performing in-situ pressure testing with non-radioactive water on tubes with significant wear indications. On March 14, the utility reported three tubes failed pressure tests. On March 15–16 five additional tubes in Unit 3 failed to meet the target performance criteria, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). Testing and inspection of Unit 3 steam generator tubes is ongoing to determine the extent and cause of the observed wear. Defective tubes will be removed from service as required prior to Unit 3 plant startup.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120319en.html>

NRC Amends Regulations on Security of Radioactive Materials

The U.S. Nuclear Regulatory Commission (NRC) is amending its regulations to codify and expand upon recent security measures the agency has imposed for certain sensitive radioactive materials. In a final rule to be published soon in the *Federal Register*, the NRC adds a new Part 37 to its regulations in Title 10 of the U.S. Code of Federal Regulations (10 CFR), and makes conforming changes to other parts of NRC regulations regarding radioactive materials. The new regulation, which takes effect one year after publication, establishes security requirements for the most risk-significant radioactive materials (those in Category 1 and Category 2 of the International Atomic Energy Agency’s rankings of radiation sources), as well as for shipments of small amounts of irradiated reactor fuel.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-027.pdf>

NRC to Prepare Supplemental EIS for Entergy's Application to Renew Licenses at Its 2,063 MW Indian Point Nuclear Power Plant in New York

The U.S. Nuclear Regulatory Commission (NRC) plans to issue a supplement to the Final Environmental Impact Statement (EIS) it prepared for the Indian Point nuclear power plant's license renewal application based on new information that has become available since the report was issued in December 2010. The update will address new information about possible impacts of the facility on the surrounding aquatic environment. The NRC staff expects to issue a draft of the supplement to the EIS for public comment later this year. The initial 40-year operating license for Indian Point Unit 2 is set to expire on September 28, 2013, while the initial license for Indian Point Unit 3 runs through December 12, 2015. Entergy Nuclear Operations, Inc., which owns and operates the reactors, is seeking a 20-year license extension for each unit. In its original EIS in December 2010, the NRC recommended approval of a license extension for the plant. New York Governor Andrew Cuomo and other groups have contested the license applications, citing environmental and safety concerns.

<http://www.reuters.com/article/2012/03/16/utilities-entergy-indianpoint-idUSL2E8EG8U820120316?feedType=RSS&feedName=rbssEnergyNews&rpc=43>
<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-025.pdf>

FPL Reports Manual Reactor Trip at Its 839 MW Saint Lucie Nuclear Unit 1 in Florida

Florida Power & Light Company (FPL) reported that during performance testing, operators manually tripped Unit 1 while the reactor was at less than 1 percent power due to Control Element Assembly (CEA) Regulating Group No. 3 exhibiting anomalous behavior (continued to insert with no operator action). The trip was uncomplicated and all CEAs fully inserted when the reactor was tripped. No automatic safety system actuations were required and none occurred. The cause for the abnormal CEA performance is under investigation. Unit 1 has been shut for a refueling outage since November 27, 2011.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120319en.html>

Update: Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois at Full Power by March 18

On the morning of March 17 the unit was operating at 90 percent. Exelon Corp. shut Unit 1 March 12 for planned upgrades of the facility's switchyard, including replacing insulators similar to those that failed at the plant in January and February, according to reports.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>
<http://www.reuters.com/article/2012/03/12/utilities-operations-exelon-byron-idUSL4E8EC0BH20120312>

Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Reduced to 71 Percent by March 19

On the morning of March 18 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

APS's 1,247 MW Palo Verde Nuclear Unit 3 in Arizona Shut by March 17

On the morning of March 16 the unit was operating at 88 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Multiple Companies' 346 MW Antelope Wind Unit in California Returns to Service by March 17

The unit entered an unplanned outage by March 16 and returned from the outage by March 17.

<http://content.caiso.com/unitstatus/data/unitstatus201203171515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201203161515.html>

PG&E's 102 MW Electra Aggregate Hydro Units 1 and 2 in California Return to Service by March 17

The units entered an unplanned outage by March 16 and returned from the outage by March 17.

<http://content.caiso.com/unitstatus/data/unitstatus201203171515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201203161515.html>

Calpine to Construct 618 MW Garrison Power Station, Add 300 MW Unit at Edge Moor Power Plant in Delaware

Calpine Corporation is studying and planning combined-cycle power projects in Delaware. In Dover, Calpine is actively permitting 618 MW of new combined-cycle capacity at the Garrison Power Station, a development site secured by a lease option with the City of Dover. PJM Interconnection's system impact study for the first phase (309 MW) and the feasibility study for the second phase (309 MW) have been completed. Both studies are being reviewed internally by Calpine. Environmental permitting, site development planning, and development engineering are underway. The company hopes to begin construction in mid- or late-2013 and begin operations at the plant in 2015. Calpine is also planning a nominal 300 MW combined-cycle development project leveraging existing infrastructure at its Edge Moor facility in Delaware. PJM is currently conducting a system impact study, which will provide a detailed report on the project's interconnection costs.

http://www.marketwatch.com/story/calpine-to-construct-combined-cycle-units-in-delaware-an-industrial-info-news-alert-2012-03-19?reflink=MW_news_stmp

<http://phx.corporate-ir.net/phoenix.zhtml?c=103361&p=irol-newsArticle&ID=1659386&highlight=Garrison>

Update: Bruce Power Approved to Restart 750 MW Bruce A Nuclear Unit 2 in Ontario

Canada's Nuclear Safety Commission gave Bruce Power permission to restart the refurbished Unit 2 reactor, which has been offline since 1995, the utility said Friday. On Monday, the utility reported that early in the restart process, the operations team detected a leak on a Unit 2 pump system. Operators quickly isolated the leak and returned the unit to a shutdown state for repairs, which are expected to take a few days to complete. Once the final repairs are complete, Bruce Power will continue with the restart. After it completes final safety and operations tests, Bruce Power will next link the reactor, located on the eastern shore of Lake Huron, to Ontario's power grid. Unit 2 is one of four reactors at Bruce Power's Bruce A plant. The utility expects to have approval to restart 750 MW Bruce A Unit 1, which is also being refurbished, in the coming months. Unit 1 has been shut since 1997. Once the two reactors are online, the Bruce A and Bruce B plants will be generating a combined 6,300 MW of power from eight reactors. Bruce Power currently generates about 4,700 MW from four units at Bruce B and two units at Bruce A. Reuters, 15:51 March 16, 2012

<http://www.brucepower.com/media-centre/>

Petroleum

Enterprise Restarts Oil Products Pipeline March 18 after Valve Problem at Cape Girardeau, Missouri Terminal Led to Shutdown March 16

Enterprise Products Partners late Sunday morning restarted a 20-inch refined products pipeline it shut Friday after a valve malfunction at the Cape Girardeau terminal in Missouri had leaked propane, a company spokesman said, adding that the released propane was maintained onsite. A regional U.S. Environmental Protection Agency representative said the agency was monitoring the situation and that the amount of propane that had been released was "relatively small." The pipeline spans from Belmont, Texas to Lebanon, Ohio. Early reports indicated the shutdown would delay deliveries on parts of the pipeline south of Seymour, Indiana.

Reuters, 15:13 March 16, 2012

Reuters, 09:47 March 19, 2012

PBF Energy Restarts 3 Desulfurization Trains at Its 190,000 b/d Delaware City, Delaware Refinery March 19 after Fire Last Week; 4th Train Heavily Damaged – Industry Source

PBF Energy reported a fire in a desulphurization unit began at 4:55 PM ET last Friday and was extinguished at 5:30 PM that evening, the company said in a community phone message on Friday. A PBF spokesman declined to comment on the status of the refinery Monday, but an industry source said that three trains feeding the unit had restarted while a fourth was heavily damaged. It was not immediately clear when the damaged train would resume operations, the source said. PBF is investigating the cause of the fire.

Reuters, 18:44 March 16, 2012

Reuters, 11:25 March 19, 2012

Reuters, 12:56 March 19, 2012

BP Restores Normal Operations after Unit Trip at Its 405,000 b/d Whiting, Indiana Refinery March 18

BP Plc. on Monday restored normal operations at its Whiting refinery following a unit trip on Sunday, according to sources familiar with refinery operations. Operators reported a release of an unknown amount of sour water acid gas into the atmosphere Sunday afternoon, according to a filing with the U.S. National Response Center. The filing indicated that one of the units tripped prior to the release. The industry source said the malfunction on Sunday did not impact production at the refinery. A BP spokesman declined to comment.

Reuters, 10:21 March 19, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1006113

ExxonMobil Reports Flaring at Its 238,600 b/d Joliet, Illinois Refinery March 17

ExxonMobil Corp. reported a release of sulfur dioxide from a flare at its Joliet refinery on Saturday, according to a filing with the Illinois Emergency Management Agency.

<http://www.reuters.com/article/2012/03/18/refinery-operations-exxon-joliet-idUSL1E8EI2D420120318?feedType=RSS&feedName=industrialsSector&rpc=43>

Update: CSB Finds Alkylation Unit at Citgo's 163,000 b/d Corpus Christi, Texas Refinery Was Leaking Before Recent Acid Release

The U.S. Chemical Safety Board (CSB) said on Friday that a flange on the alkylation unit at Citgo Petroleum Corp.'s Corpus Christi refinery had been leaking since September before failing on March 5 and releasing between 300 and 500 pounds of hydrofluoric acid. The CSB has been conducting a special inquiry into the incident as part of a larger investigation into a 2009 hydrofluoric acid leak at the alkylation unit. According to the CSB's findings, in January 2011, Citgo workers tightened the bolts on the leaking flange, and in February they replaced the bolts, but the leak persisted. Operators ordered a clamp to fix the leak, but on March 5 the flange failed. The CSB said its investigation of the March 5 release was continuing, and it would try to determine if the causes found in the 2009 fire investigation were present in the March release. A Citgo spokesman said the company was reviewing Friday's statements from the CSB before commenting.

Reuters, 15:46 March 16, 2012

FCCU Regenerator Malfunction Leads to Emissions at Delek's 60,000 b/d Tyler, Texas Refinery March 16-18

Delek reported excess emissions occurred due to a mechanical malfunction at the fluid catalytic cracking unit (FCCU) regenerator over the weekend, according to a filing with the Texas Commission on Environmental Quality. Operators were planning various mitigation measures, including FCCU operational adjustments, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166100>

Shell Restarts Unspecified Process Unit at Its 100,000 b/d Scotford, Alberta Refinery March 16

Royal Dutch Shell Plc. said it was restarting an unspecified unit at its Scotford refinery near Edmonton, Alberta, on Friday and that it expected flaring in the next 48 hours, according to a notice posted on a community information line. The message said there would be no impact on production at the refinery.

Reuters, 11:54 March 16, 2011

Natural Gas

Spectra Project to Build 800 MMcf/d Natural Gas Pipeline from New Jersey to Manhattan Passes FERC Environmental Review

The U.S. Federal Energy Regulatory Commission (FERC) said in a report it published Friday that Spectra Energy Corp.'s proposed project to bring natural gas from New Jersey to Manhattan would have a "less-than-significant" environmental impact, with certain mitigation measures in place. The proposed 16-mile, 800 MMcf/d pipeline would bring natural gas produced in new fields including the Marcellus Shale from Linden, New Jersey to Manhattan's West Village, via Staten Island and Jersey City. The project still has to clear a FERC vote, according to a spokeswoman. Spectra expects to finish the line in November 2013, according to its website. The company agreed to use thicker pipe and altered the route in several places to allay local concerns about the project's potential impact on populated and historic neighborhoods, bridges, tunnels, and rail systems.

<http://www.bloomberg.com/news/2012-03-16/spectra-clears-hurdle-for-new-jersey-new-york-gas-pipe.html?cmpid=yahoo>

Power Outage Shuts DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas March 16

DCP Midstream reported its Goldsmith Plant lost electrical power Friday when an electrical power pole in the town of Goldsmith broke, according to a filing with the Texas Commission on Environmental Quality. Operators restarted the plant Saturday after power was restored

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=166097>

Other News

EPA Approves Industry Plans Informing Retailers about the Sale of Fuel with Higher Blend of Ethanol

The U.S. Environmental Protection Agency (EPA) sent a letter to the Renewable Fuels Association (RFA) on Thursday saying it approved a plan submitted by the industry group that will help retailers feel more comfortable offering gasoline containing a higher blend of ethanol to motorists, according to an RFA release. The EPA last year approved the use of fuel containing 15 percent ethanol in vehicles built after 2001, but retailers have been worried about liabilities and costs associated with changing equipment to offer the new fuel.

Reuters, 13:33 March 16, 2012

<http://www.ethanolrfa.org/news/entry/ethanol-industry-epa-ready-for-e15-rollout/>

International News

Valero to Suspend Refining Operations at Its 235,000 b/d Aruba Refinery; Considers Operating Storage Terminal at Site

Valero Energy Corporation today announced that due to unfavorable refinery economics and the outlook for continued unfavorable refinery economics, it will suspend refining operations by the end of the month at its subsidiary's refinery in Aruba. The refinery has been operating at reduced rates because of inadequate margins resulting in financial losses. Valero is considering the possibility of operating a terminal and storage operation at the site. For the immediate future, Valero will maintain the refinery in a state that would allow a restart.

http://www.valero.com/NewsRoom/Pages/PR_20120319_0.aspx

Iraq Develops Oil Export Contingency Plans amid Iran Tensions

An Iraqi official said in a release Sunday that the government is considering many contingency plans to expand its oil export routes if tensions over neighboring Iran result in the closure of the Strait of Hormuz, which would halt about 80 percent of Iraq's oil exports. Alternatives to shipping oil out of the southern port of Basra through the Persian Gulf include boosting crude production from northern fields and upgrading export capacity via Ceyhan port in Turkey, shipping more oil aboard tanker trucks in the short term, and reopening pipelines that could deliver Iraqi crude to ports in Syria, Lebanon, and Saudi Arabia, the official said.

Reuters, 09:57 March 18, 2012

<http://www.cnn.com/2012/03/18/world/meast/iraq-oil/>

Update: Statoil Resumes Full Production at 25,000 boe/d Statfjord C Platform in North Sea March 19

Statoil has resumed full production at its Statfjord C platform in the North Sea after shutting down operations on Thursday due to a toxic gas leak, the company said on Monday. The company has been ramping up production over the weekend after sealing off the leak point and fixing a faulty flange, according to a spokesman.

<http://www.bloomberg.com/news/2012-03-16/spectra-clears-hurdle-for-new-jersey-new-york-gas-pipe.html?cmpid=yahoo>

Energy Prices

U.S. Oil and Gas Prices			
March 19, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	107.68	106.30	100.70
NATURAL GAS Henry Hub \$/Million Btu	2.01	2.21	3.98

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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